

**WORKFORCE SAFETY & INSURANCE**  
**INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2008**

|  | August-08          |                   |             |               | July-08            |                   |             |               | Current FYTD   | Prior Year FY08 | 3 Years Ended 6/30/2008 | 5 Years Ended 6/30/2008 |
|--|--------------------|-------------------|-------------|---------------|--------------------|-------------------|-------------|---------------|----------------|-----------------|-------------------------|-------------------------|
|  | Market Value       | Allocation Actual | Policy      | Month Net ROR | Market Value       | Allocation Actual | Policy      | Month Net ROR | Net            | Net             | Net                     | Net                     |
| <b>LARGE CAP DOMESTIC EQUITY</b>         |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| <b>Structured Growth</b>                 |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| Los Angeles Capital                      | 18,222,844         | 1.5%              | 1.5%        | -0.56%        | 18,477,487         | 1.5%              | 1.5%        | -1.18%        | -1.73%         | -7.79%          | 7.68%                   | N/A                     |
| <b>Total Structured Growth</b>           | <b>18,222,844</b>  | <b>1.5%</b>       | <b>1.5%</b> | <b>-0.56%</b> | <b>18,477,487</b>  | <b>1.5%</b>       | <b>1.5%</b> | <b>-1.18%</b> | <b>-1.73%</b>  | <b>-7.79%</b>   | <b>7.68%</b>            | <b>9.56%</b>            |
| Russell 1000 Growth                      |                    |                   |             | 1.08%         |                    |                   |             | -1.90%        | -0.84%         | -5.96%          | 5.91%                   | 7.32%                   |
| <b>Structured Value</b>                  |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| <b>LSV</b>                               | <b>16,560,077</b>  | <b>1.3%</b>       | <b>1.5%</b> | <b>1.61%</b>  | <b>16,428,751</b>  | <b>1.3%</b>       | <b>1.5%</b> | <b>-0.58%</b> | <b>1.02%</b>   | <b>-21.43%</b>  | <b>3.81%</b>            | <b>11.57%</b>           |
| Russell 1000 Value                       |                    |                   |             | 1.70%         |                    |                   |             | -0.36%        | 1.33%          | -18.78%         | 3.53%                   | 8.92%                   |
| <b>Russell 1000 Enhanced Index</b>       |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| <b>LA Capital</b>                        | <b>35,709,062</b>  | <b>2.9%</b>       | <b>2.9%</b> | <b>0.76%</b>  | <b>35,733,594</b>  | <b>2.9%</b>       | <b>2.9%</b> | <b>-2.05%</b> | <b>-1.30%</b>  | <b>-9.54%</b>   | <b>6.97%</b>            | <b>N/A</b>              |
| Russell 1000                             |                    |                   |             | 1.38%         |                    |                   |             | -1.16%        | 0.20%          | -12.36%         | 4.81%                   | N/A                     |
| <b>S&amp;P 500 Enhanced Index</b>        |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| <b>Westridge</b>                         | <b>36,969,994</b>  | <b>3.0%</b>       | <b>2.9%</b> | <b>1.58%</b>  | <b>36,701,140</b>  | <b>3.0%</b>       | <b>2.9%</b> | <b>-0.73%</b> | <b>0.85%</b>   | <b>-12.18%</b>  | <b>4.98%</b>            | <b>N/A</b>              |
| S&P 500                                  |                    |                   |             | 1.45%         |                    |                   |             | -0.84%        | 0.59%          | -13.12%         | 4.41%                   | N/A                     |
| <b>Index</b>                             |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| State Street                             | 11,874,763         |                   |             | 0.31%         | 11,935,569         |                   |             | -1.16%        | -0.85%         | -18.24%         | 2.93%                   | 6.64%                   |
| <b>Total 130/30</b>                      | <b>11,874,763</b>  | <b>1.0%</b>       | <b>1.0%</b> | <b>0.31%</b>  | <b>11,935,569</b>  | <b>1.0%</b>       | <b>1.0%</b> | <b>-1.16%</b> | <b>-0.85%</b>  | <b>-18.24%</b>  | <b>2.93%</b>            | <b>6.64%</b>            |
| S&P 500                                  |                    |                   |             | 1.45%         |                    |                   |             | -0.84%        | 0.59%          | -13.12%         | 4.41%                   | 7.59%                   |
| <b>TOTAL LARGE CAP DOMESTIC EQUITY</b>   | <b>119,336,740</b> | <b>9.6%</b>       | <b>9.8%</b> | <b>0.88%</b>  | <b>119,276,541</b> | <b>9.6%</b>       | <b>9.8%</b> | <b>-1.22%</b> | <b>-0.35%</b>  | <b>-12.71%</b>  | <b>5.68%</b>            | <b>9.31%</b>            |
| S&P 500                                  |                    |                   |             | 1.45%         |                    |                   |             | -0.84%        | 0.59%          | -13.12%         | 4.41%                   | 7.59%                   |
| <b>SMALL CAP DOMESTIC EQUITY</b>         |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| <b>Manager-of-Managers</b>               |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| <b>SEI</b>                               | <b>19,741,381</b>  | <b>1.6%</b>       | <b>1.6%</b> | <b>2.40%</b>  | <b>19,413,973</b>  | <b>1.6%</b>       | <b>1.6%</b> | <b>0.99%</b>  | <b>3.41%</b>   | <b>-20.93%</b>  | <b>2.06%</b>            | <b>9.10%</b>            |
| Russell 2000 + 200bp                     |                    |                   |             | 3.78%         |                    |                   |             | 3.87%         | 7.79%          | -14.48%         | 5.88%                   | 12.50%                  |
| <b>Enhanced</b>                          |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| <b>Research Affiliates</b>               | <b>20,958,266</b>  | <b>1.7%</b>       | <b>1.6%</b> | <b>3.55%</b>  | <b>20,372,050</b>  | <b>1.6%</b>       | <b>1.6%</b> | <b>2.98%</b>  | <b>N/A</b>     | <b>N/A</b>      | <b>N/A</b>              | <b>N/A</b>              |
| Russell 2000                             |                    |                   |             | 3.61%         |                    |                   |             | 3.70%         | 7.45%          | -16.19%         |                         |                         |
| <b>TOTAL SMALL CAP DOMESTIC EQUITY</b>   | <b>40,699,646</b>  | <b>3.3%</b>       | <b>3.3%</b> | <b>2.99%</b>  | <b>39,786,023</b>  | <b>3.2%</b>       | <b>3.3%</b> | <b>1.97%</b>  | <b>5.02%</b>   | <b>-21.14%</b>  | <b>1.97%</b>            | <b>9.04%</b>            |
| Russell 2000                             |                    |                   |             | 3.61%         |                    |                   |             | 3.70%         | 7.45%          | -16.19%         | 3.79%                   | 10.29%                  |
| <b>INTERNATIONAL EQUITY</b>              |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| <b>Large Cap - Active</b>                |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| Capital Guardian                         | 34,506,825         | 2.8%              | 3.2%        | -3.83%        | 36,064,679         | 2.9%              | 3.2%        | -4.00%        | -7.68%         | -12.37%         | 12.24%                  | 14.35%                  |
| LSV                                      | 34,756,708         | 2.8%              | 3.2%        | -1.07%        | 35,330,137         | 2.9%              | 3.2%        | -2.50%        | -3.55%         | -25.78%         | 7.37%                   | N/A                     |
| <b>Total Large Cap - Active</b>          | <b>69,263,533</b>  | <b>5.6%</b>       | <b>6.4%</b> | <b>-2.47%</b> | <b>71,394,815</b>  | <b>5.8%</b>       | <b>6.4%</b> | <b>-3.27%</b> | <b>-5.66%</b>  | <b>-19.29%</b>  | <b>9.83%</b>            | <b>13.46%</b>           |
| MSCI EAFE - 50% Hedged                   |                    |                   |             | -1.59%        |                    |                   |             | -2.64%        | -4.19%         | -15.14%         | 10.93%                  | 14.67%                  |
| <b>Small Cap - Value</b>                 |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| DFA                                      | 8,067,736          | 0.6%              | 0.8%        | -3.22%        | 8,388,692          | 0.7%              | 0.8%        | -4.44%        | N/A            | N/A             | N/A                     | N/A                     |
| <b>Total Small Cap Value</b>             | <b>8,067,736</b>   | <b>0.6%</b>       | <b>0.8%</b> | <b>-3.22%</b> | <b>8,388,692</b>   | <b>0.7%</b>       | <b>0.8%</b> | <b>-4.44%</b> | <b>-7.52%</b>  | <b>-12.74%</b>  | <b>9.30%</b>            | <b>17.27%</b>           |
| S&P/Citigroup Broad Market Index < \$2BN |                    |                   |             | -5.40%        |                    |                   |             | -4.30%        | -9.47%         | -25.49%         | 7.39%                   | 17.33%                  |
| <b>Small Cap - Growth</b>                |                    |                   |             |               |                    |                   |             |               |                |                 |                         |                         |
| <b>Vanguard</b>                          | <b>7,834,815</b>   | <b>0.6%</b>       | <b>0.8%</b> | <b>-5.82%</b> | <b>8,160,450</b>   | <b>0.7%</b>       | <b>0.8%</b> | <b>-5.82%</b> | <b>-11.30%</b> | <b>-17.52%</b>  | <b>11.77%</b>           | <b>20.18%</b>           |
| Citigroup Broad Market Index < \$2BN     |                    |                   |             | -5.40%        |                    |                   |             | -4.30%        | -9.47%         | -25.49%         | 7.39%                   | 17.33%                  |
| <b>TOTAL INTERNATIONAL EQUITY</b>        | <b>85,166,083</b>  | <b>6.9%</b>       | <b>8.0%</b> | <b>-2.85%</b> | <b>87,943,957</b>  | <b>7.1%</b>       | <b>8.0%</b> | <b>-3.62%</b> | <b>-6.37%</b>  | <b>-18.83%</b>  | <b>9.79%</b>            | <b>14.56%</b>           |
| MSCI EAFE - 50% Hedged                   |                    |                   |             | -1.59%        |                    |                   |             | -2.64%        | -4.19%         | -15.14%         | 10.93%                  | 14.67%                  |

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|   | August-08     |                   |        |               | July-08       |                   |        |               | Current FYTD | Prior Year FY08 | 3 Years Ended 6/30/2008 | 5 Years Ended 6/30/2008 |
|---|---------------|-------------------|--------|---------------|---------------|-------------------|--------|---------------|--------------|-----------------|-------------------------|-------------------------|
|   | Market Value  | Allocation Actual | Policy | Month Net ROR | Market Value  | Allocation Actual | Policy | Month Net ROR |              |                 |                         |                         |
| <b>DOMESTIC FIXED INCOME</b>                            |               |                   |        |               |               |                   |        |               |              |                 |                         |                         |
| <b>Core Bond</b>  |               |                   |        |               |               |                   |        |               |              |                 |                         |                         |
| <b>Western Asset</b>                                    | 176,246,537   | 14.2%             | 14.1%  | 1.03%         | 174,384,838   | 14.1%             | 14.1%  | -1.78%        | -0.76%       | 2.06%           | 2.76%                   | 3.55%                   |
| <i>Lehman Aggregate</i>                                 |               |                   |        | 0.95%         |               |                   |        | -0.08%        | 0.87%        | 7.12%           | 4.09%                   | 3.86%                   |
| <b>Mortgage Backed</b>                                  |               |                   |        |               |               |                   |        |               |              |                 |                         |                         |
| <b>Hyperion</b>   | 33,904,395    | 2.7%              | 4.0%   | -10.70%       | 38,231,179    | 3.1%              | 4.0%   | -8.02%        | -17.87%      | -20.24%         | N/A                     | N/A                     |
| <i>Lehman Global Aggregate (US Securitized Portion)</i> |               |                   |        | -0.46%        |               |                   |        | -0.06%        | -0.52%       | 10.14%          |                         |                         |
| <b>Core Plus/Enhanced</b>                               |               |                   |        |               |               |                   |        |               |              |                 |                         |                         |
| <i>Clifton Group</i>                                    | 52,027,949    | 4.2%              | 4.0%   | 1.11%         | 51,316,972    | 4.1%              | 4.0%   | 0.45%         | 1.56%        | 10.17%          | N/A                     | N/A                     |
| <i>Prudential</i>                                       | 51,589,003    | 4.2%              | 4.0%   | 0.71%         | 51,158,656    | 4.1%              | 4.0%   | -0.24%        | 0.46%        | 4.89%           | N/A                     | N/A                     |
| <b>Total Core Plus/Enhanced</b>                         | 103,616,953   | 8.3%              | 8.0%   | 0.91%         | 102,475,628   | 8.3%              | 8.0%   | 0.10%         | 1.01%        | 7.55%           | N/A                     | N/A                     |
| <i>Lehman Aggregate</i>                                 |               |                   |        | 0.95%         |               |                   |        | -0.08%        | 0.87%        | 7.12%           |                         |                         |
| <b>Index</b>  |               |                   |        |               |               |                   |        |               |              |                 |                         |                         |
| <i>Bank of ND</i>                                       | 90,619,886    | 7.3%              | 7.0%   | 1.06%         | 89,618,727    | 7.2%              | 7.0%   | 0.07%         | 1.14%        | 7.68%           | 3.93%                   | 3.28%                   |
| <i>Bank of ND CD'S</i>                                  | 35,846,616    | 2.9%              | 2.9%   | 0.42%         | 35,696,281    | 2.9%              | 2.9%   | 0.42%         | 0.84%        | 4.63%           | N/A                     | N/A                     |
| <b>Total Index</b>                                      | 126,466,502   | 10.2%             | 9.9%   | 0.88%         | 125,315,007   | 10.1%             | 9.9%   | 0.17%         | 1.06%        | 6.80%           | 3.80%                   | 3.14%                   |
| <i>Lehman Gov/Credit (1)</i>                            |               |                   |        | 0.92%         |               |                   |        | 0.00%         | 0.92%        | 7.24%           | 3.84%                   | 3.24%                   |
| <b>BBB Average Quality</b>                              |               |                   |        |               |               |                   |        |               |              |                 |                         |                         |
| <b>Wells Capital (formerly Strong)</b>                  | 180,148,212   | 14.5%             | 14.1%  | 0.83%         | 178,693,646   | 14.4%             | 14.1%  | -0.59%        | 0.24%        | 3.55%           | 3.04%                   | 3.85%                   |
| <i>Lehman US Credit BAA</i>                             |               |                   |        | 0.80%         |               |                   |        | -0.67%        | 0.13%        | 2.62%           | 2.52%                   | 3.59%                   |
| <b>TOTAL DOMESTIC FIXED INCOME</b>                      | 620,382,598   | 49.9%             | 50.0%  | 0.20%         | 619,100,299   | 50.0%             | 50.0%  | -1.15%        | -0.95%       | 2.45%           | 2.71%                   | 3.26%                   |
| <i>Lehman Aggregate (2)</i>                             |               |                   |        | 0.95%         |               |                   |        | -0.08%        | 0.87%        | 7.12%           | 4.09%                   | 3.73%                   |
| <b>INFLATION PROTECTED ASSETS</b>                       |               |                   |        |               |               |                   |        |               |              |                 |                         |                         |
| <i>Northern Trust Global Investments</i>                | 144,067,668   | 11.6%             | 11.0%  | 0.82%         | 142,932,235   | 11.5%             | 11.0%  | -0.45%        | 0.37%        | 15.69%          | 5.79%                   | N/A                     |
| <i>Western</i>  | 141,856,456   | 11.4%             | 11.0%  | 1.26%         | 140,275,900   | 11.3%             | 11.0%  | -1.33%        | -0.09%       | 12.34%          | 4.42%                   | N/A                     |
| <b>TOTAL INFLATION PROTECTED ASSETS</b>                 | 285,924,124   | 23.0%             | 22.0%  | 1.04%         | 283,208,135   | 22.9%             | 22.0%  | -0.89%        | 0.14%        | 14.00%          | 5.10%                   | N/A                     |
| <i>LB US TIPS Index</i>                                 |               |                   |        | 0.82%         |               |                   |        | -0.51%        | 0.30%        | 15.10%          | 5.62%                   | N/A                     |
| <b>REAL ESTATE</b>                                      |               |                   |        |               |               |                   |        |               |              |                 |                         |                         |
| <b>JP Morgan</b>  | 84,204,444    | 6.8%              | 6.0%   | -0.12%        | 84,203,650    | 6.8%              | 6.0%   | -0.12%        | -0.23%       | -0.77%          | N/A                     | N/A                     |
| <i>NCREIF Total Index</i>                               |               |                   |        | 0.19%         |               |                   |        | 0.19%         | 0.37%        | 9.20%           | 14.82%                  | N/A                     |
| <b>CASH EQUIVALENTS</b>                                 |               |                   |        |               |               |                   |        |               |              |                 |                         |                         |
| <b>Bank of ND</b>                                       | 6,513,780     | 0.5%              | 1.0%   | 0.17%         | 5,843,786     | 0.5%              | 1.0%   | 0.16%         | 0.33%        | 3.43%           | 4.10%                   | 3.38%                   |
| <i>90 Day T-Bill</i>                                    |               |                   |        | 0.16%         |               |                   |        | 0.18%         | 0.33%        | 3.63%           | 4.27%                   | 3.18%                   |
| <b>TOTAL WSI</b>  | 1,242,227,416 | 100.0%            | 100.0% | 0.31%         | 1,239,362,391 | 100.0%            | 100.0% | -1.10%        | -0.79%       | 0.57%           | 4.70%                   | 6.18%                   |
| <b>POLICY TARGET BENCHMARK</b>                          |               |                   |        | 0.80%         |               |                   |        | -0.31%        | 0.48%        | 4.22%           | 5.78%                   | 6.56%                   |

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.